

## Message Text

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43

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 NEA-09 ISO-00 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01

H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03

SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01

PRS-01 USIA-06 /105 W

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P 051100Z MAR 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 8236

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ALGIERS PRIORITY

AMEMBASSY BUJUMBURA

AMEMBASSY DAKAR

AMEMBASSY FREETOWN

AMEMBASSY KINSHASA

AMEMBASSY LIBREVILLE

AMEMBASSY LOME

AMEMBASSY MONROVIA

AMEMBASSY NAIROBI

AMEMBASSY RABAT

AMEMBASSY VIENNA

USMISSION OECD PARIS

AMEMBASSY ADDIS ABABA

C O N F I D E N T I A L LAGOS 2071

E.O. 11652: GDS

TAGS: ENRG, NI, XA, OPEC

SUBJECT: CONCESSIONAL OIL SALES BY NIGERIA TO AFRICAN COUNTRIES

REFS: NAIROBI 1759, DAR ES SALAAM 0626, ALGIERS 0565 NOTAL

1. SO-CALLED ANNOUNCEMENT FEBRUARY 26 BY NIGERIAN AMBASSADOR

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TO ETHIOPIA TO ECA MINISTERIAL CONFERENCE IN NAIROBI THAT FMG

WILL MAKE NIGERIAN CRUDE OIL AVAILABLE TO AFRICAN COUNTRIES AT CONCESSIONARY RATE IS, BY OUR COUNT, FOURTH TIME NIGERIAN OFFICIALS HAVE SAID SAME THING IN PUBLIC. AS DISCUSSED IN LAGOS 9741 OF OCTOBER 22 (NOTAL), PERMSEC OF MINES AND POWER SAID THIS ON TV JULY 27, AS DID COMMISSIONER OF MINES AND POWER IN A PRESS RELEASE AUGUST 3 WHEN THE TOGOLESE WERE HERE SEEKING CRUDE FOR A REFINERY NOW UNDER CONSTRUCTION, AND THE NIGERIAN AMBASSADOR TO IVORY COAST MADE SAME "ANNOUNCEMENT" OCTOBER 10 TO AFDB MEETING IN ABIDJAN.

2. NIGERIANS HAVE BEEN CLEARLY ON SPOT SINCE BEGINNING OF ENERGY CRISIS TO DO "SOMETHING" ABOUT OIL SUPPLY TO THEIR FELLOW AFRICANS. DECISION TAKEN LAST SUMMER PERMITTING FMG SPOKESMEN TO PROMISE SPECIAL CONSIDERATION ON CASE BY CASE BASIS FOR AFRICAN COUNTRIES WITH REFINING CAPACITY. AT SAME TIME THE NIGERIANS ARE NOT UNAWARE THAT REFINERIES IN NORTH AND EAST AFRICA ARE CLOSER TO EVEN CHEAPER SOURCES OF CRUDE AND THEREFORE UNLIKELY TO DEMAND MUCH FROM NIGERIA. REFINERIES IN OTHER WEST AFRICAN COUNTRIES ARE NOT DESIGNED TO RELY WHOLLY ON NIGERIAN CRUDE, AND EVEN IF THEY DID WOULD CONSUME ONLY FIVE PERCENT OF NIGERIAN PRODUCTIVE CAPACITY. FACT IS THAT NIGERIAN EXPORTS TO AFRICA HAVE NEVER EXCEEDED MORE THAN ABOUT TWO PERCENT OF TOTAL CRUDE EXPORTS. DURING THIRD QUARTER 1974 (MOST RECENT AVAILABLE DATA), EXPORTS AVERAGED 19,500 BARRELS PER DAY TO IVORY COAST, 7,600 TO GHANA, 5,650 TO SENEGAL, AND 4,500 TO SIERRA LEONE. GHANA, ONLY COUNTRY SO FAR TO OBTAIN ALLEGEDLY CONCESSIONAL TERMS SO FAR AS WE KNOW, LIFTED AVERAGE OF 17,000 B/D IN FIRST QUARTER 1974, 11,700 IN SECOND QUARTER, AND 7,600 IN THIRD QUARTER, SO THE "CONCESSIONS" MUST NOT BE ALL THAT ATTRACTIVE.

3. COMMENT. AS THE ONLY MAJOR OIL PRODUCER IN BLACK AFRICA, NIGERIA OBVIOUSLY MUST BE SEEN TO BE FORTHCOMING WHEN FELLOW AFRICANS COMPLAIN ABOUT THE EFFECTS OF THE ENERGY CRISIS. IN FACT NIGERIA HAS CONCEDED VERY LITTLE AND IS NOT LIKELY IN FORESEEABLE FUTURE TO SELL MORE THAN TOKEN AMOUNT OF OIL ON CONCESSIONAL TERMS (WHICH, INCIDENTALLY, COULD WELL TAKE SOME FORM OTHER THAN PRICE REDUCTION). IF OPEC HEADS OF STATE  
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NOW MEETING IN ALGIERS SEIZE UPON THIS NON-ISSUE FOR ANY PART OF THEIR DISCUSSIONS OF OIL PRICES (AS SUGGESTED ALGIERS 0565), IT WILL INDICATE THAT THEY ARE HAVING TROUBLE FINDING MORE IMPORTANT MATTERS TO DISCUSS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, SALES, PETROLEUM PRODUCTION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ellisoob  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LAGOS02071  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750077-0167  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750381/aaaacuwk.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 NAIROBI 1759, 75 DAR ES SALAAM 0626, 75 ALGIERS 0565  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2003 by KelleyW0>; APPROVED <17 SEP 2003 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONCESSIONAL OIL SALES BY NIGERIA TO AFRICAN COUNTRIES  
**TAGS:** ENRG, NI, XA, OPEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006